

Message Text

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ACTION EA-09

INFO OCT-01 EUR-12 ISO-00 AID-05 L-03 IGA-01 ABF-01 A-01

CIAE-00 COME-00 EB-07 FRB-03 INR-07 NSAE-00 USIA-06

TRSE-00 XMB-02 OPIC-03 SP-02 CIEP-01 LAB-04 SIL-01

OMB-01 OPR-02 DODE-00 PM-04 H-02 NSC-05 PA-01 PRS-01

SS-15 FS-01 /101 W

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P R 170517Z OCT 75

FM AMEMBASSY VIENTIANE

TO SECSTATE WASHDC PRIORITY 5449

INFO AMEMBASSY BANGKOK

AMEMBASSY PARIS

DIA WASHDC/AH

CINCPAC

LIMITED OFFICIAL USE VIENTIANE 5963

E.O. 11652: N/A

TAGS: PFOR, AFIN, EFIN, FR, LA, US

SUBJECT: FUTURE OF BANQUE DE L'INDOCHINE IN VIENTIANE AND
STATUS OF USDO AND FADPC ACCOUNTS

DEPT ALSO PASS AID

BANGKOK ALSO FOR FADPC

CINCPAC FOR POLAD

REFS: A. VIENTIANE 6960 (DTG 161010Z OCT 75)

B. VIENTIANE 5907 (DTG 100935Z OCT 75)

1. EMBASSY ECON OFFICER AND USDO CALLED ON M. RELAVE,
CONTROLLER OF VIENTIANE BRANCH BANQUE DE L'INDOCHINE
(BIC), OCTOBER 16 TO INQUIRE ABOUT STATUS OF BANK AND OF
USG ACCOUNTS THERE. RELAVE SAID BIC WOULD DEFINITELY
NOT REOPEN. HE SAID A RETIRED DIRECTOR OF BIC, ONE M.

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BAERT, HAD BEEN SENT TO VIENTIANE BY BIC HEAD OFFICE

IN PARIS TO DISCUSS SITUATION WITH LAO OFFICIALS AND REPORT BACK. BAERT WAS IN VIENTIANE OCTOBER 11-16. HE MET WITH NEW GOVERNOR OF NATIONAL BANK OF LAOS (NBL) OUDONE PHOLSENA AND OTHERS. IN DISCUSSIONS WITH OUDONE, IT WAS AGREED THAT BIC BRANCH IN LAOS WOULD CLOSE. OUDONE INDICATED THAT BIC'S BUILDING IN VIENTIANE WOULD PROBABLY BE USED AS A GOVERNMENT BANK IN FUTURE. HOWEVER, NO DETAILS OF CLOSURE WERE WORKED OUT, ACCORDING TO RELAVE; BAERT'S BRIEF WAS LIMITED TO DISCUSSIONS WITH LAO AND PREPARATION OF REPORT, AND ONLY HEAD OFFICE IN PARIS COULD MAKE DECISIONS IN THE MATTER. RELAVE SAID FRENCH EMBASSY HAD PROVIDED TELEGRAPH FACILITIES TO ENABLE BIC BRANCH TO REPORT ITS PRESENT DIFFICULTIES TO PARIS BUT HAD NOT OFFICIALLY INTERVENED IN DEALINGS BETWEEN BIC AND LAO OFFICIALS.

2. RELAVE CONFIRMED THAT USDO VIENTIANE ACCOUNT NOW STANDS AT 153,974,823 KIP (US\$205,299.76 AT 750 RATE). SEPARATE ACCOUNT OF FADPC/BANGKOK WITH BIC/VIENTIANE CONTAINS 900,569 KIP (US\$1,200.76). RELAVE STATED THAT ALL ACCOUNTS IN BIC WERE NOW FORZEN. NBL HAS CURRENT LIST OF ALL BIC ACCOUNTS. FOR ANY TRANSACTION WITH BIC, DEPOSIT OR WITHDRAWAL, CUSTOMER MUST HAVE AUTHORIZATION OF NBL. RELAVE ADDED THAT OVER PAST MONTH SEVERAL BIC CUSTOMERS HAD BEEN ABLE TO WITHDRAW FUNDS FROM THEIR BIC ACCOUNTS BY WRITING CHECKS ON THOSE ACCOUNTS AND PRESENTING THEM AT NBL. NBL ASKED CUSTOMER IN EACH CASE TO EXPLAIN REASON FOR PROPOSED WITHDRAWAL. IF WITHDRAWAL APPROVED, NBL PAID OUT MONEY AND INFORMED BIC HOW MUCH MONEY HAD BEEN WITHDRAWN. RELAVE SAID THAT SEVERAL EMBASSIES AND SOME PRIVATE CUSTOMERS HAD USED THIS PROCEDURE SUCCESSFULLY, BUT THAT SO FAR NO CUSTOMER HAD COMPLETELY LIQUIDATED HIS BIC ACCOUNT IN THIS MANNER.

3. RELAVE CLAIMED LAO AUDITORS HAD NOT INDICATED TO HIM THAT ANY PARTICULAR PROBLEM EXISTED WITH USDO OR FADPC ACCOUNTS IN BIC WHICH WOULD PREVENT US FROM WITHDRAWING OUR KIP. HE STATED THAT LAO AUDITORS HAD ASKED BIC TO EXPLAIN LETTERS TO BIC ON LAO MINISTRY OF LIMITED OFFICIAL USE

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NATIONAL DEFENSE (MND) LETTERHEAD AND SIGNED BY USDAO OFFICERS, ASKING BIC TO TRANSMIT U.S. TREASURY CHECKS TO ACCOUNT OF SHELL OIL CO. IN IRVING TRUST, NEW YORK. (FOR BACKGROUND, SEE REF B, PARA 2). HOWEVER, RELAVE SAID BIC OFFICIALS HAD CONVINCED AUDITORS THAT, FOR PURPOSES OF THIS SORT OF TRANSACTION, THEY HAD NEEDED TO KNOW ONLY THAT U.S. TREASURY CHECK WAS IN ORDER AND HAD NOT NEEDED TO KNOW USDAO OFFICERS'

RELATIONSHIP TO MND.
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Message Attributes

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Draft Date: 17 OCT 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CunninFX
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
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Errors: N/A
Film Number: D750360-0518
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Margaret P. Grafeld
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